

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-05 H-01  
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02  
SS-15 USIA-06 COME-00 EB-08 LAB-04 SIL-01 /085 W  
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R 181223Z NOV 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 3805  
INFO AMEMBASSY BONN  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMCONSUL OPORTO  
AMEMBASSY PARIS  
AMCONSUL PONTA DELGADA  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
AMEMBASSY BRUSSELS  
USMISSION GENEVA

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 8902

USEEC

E.O. 11652: XGDS-3  
TAGS: ELAB, PINT, PO  
SUBJ: MAJOR NEW DEPARTURE IN LABOR

SUMMARY: THE SOCIALIST PARTY'S JOSE FONTANA FOUNDATION IS  
A MAJOR EFFORT TO GIVE BONE, BRAIN, AND MUSCLE TO THE  
DEMOCRATIC LABOR MOVEMENT IN PORTUGAL. ALTHOUGH JUST  
OPENED AND STILL IN PROVISIONAL QUARTERS, THE FOUNDATION  
PROJECTS A 1.8 MILLION DOLLAR TRAINING BUDGET IN 1978  
INVOLVING 1,500 TRAINING COURSES. THE FOUNDATION'S  
INTERNATIONAL AFFAIRS SECRETARY INDICATES GOOD PROSPECTS  
EXIST FOR COLLABORATION WITH THE AMERICAN LABOR MOVEMENT.  
END SUMMARY.

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1. ESTABLISHMENT OF THE JOSE FONTANA FOUNDATION REPRESENTS  
A MAJOR NEW DEPARTURE FOR THE SOCIALIST PARTY (PS) IN  
LABOR AFFAIRS. THE FOLLOWING REPORTS POINTS MADE BY THE  
FOUNDATION'S INTERNATIONAL AFFAIRS SECRETARY, RUI MATEUS,  
TO LABATT NOV 17.

2. PS LABOR STRATEGY: THE FONTANA FOUNDATION IS THE PS RESPONSE TO COMMUNIST-CONTROL OF THE CGTP-INTERSINDICAL LABOR CONFEDERATION. WHILE FOUNDATION IS NOT NUCLEUS OF A SECOND CONFEDERATION, IT SHOULD PROVIDE ENOUGH TRAINED LEADERS WITHIN A YEAR TO ENABLE THE PS TO BEGIN TO CHALLENGE THE CGTP. EXPECTATION IS THAT NEWLY TRAINED PS LABOR LEADERS WOULD CAPTURE SOME UNIONS AND REORGANIZE OTHER EXISTING OCCUPATIONAL/CRAFT UNIONS INTO VERTICAL INDUSTRIAL UNIONS.

3. STRATEGY IMPLEMENTATION: NEW LABOR LEGISLATION TO BE PROPOSED WILL REQUIRE THAT VOTING FACILITIES FOR UNION ELECTIONS BE ESTABLISHED AT INDIVIDUAL FACTORIES HAVING MORE THAN 100 WORKERS. PS BELIEVES THIS MEASURE ALONE WILL DO MUCH TO BREAK CGTP CONTROL OF UNIONS BY INCREASING PARTICIPATION OF NON-COMMUNIST WORKERS IN UNION ELECTIONS.

-- PS DOES NOT NOW FAVOR PROPORTIONAL REPRESENTATION FOR UNION LEADERSHIPS. PROPORTIONAL REPRESENTATION IN AUSTRIAN AND FINNISH UNIONS WORKS ONLY DUE TO SPECIAL CIRCUMSTANCES, E.G., A MASSIVE SOCIALIST MAJORITY IN AUSTRIA.

-- THREE NEW UNIONS (AGRICULTURAL WORKERS, ELECTRICAL WORKERS, AND SHIPYARD WORKERS) ARE BEING ORGANIZED AND WILL REQUEST AFFILIATION WITH THE APPROPRIATE INTERNATIONAL TRADE SECRETARIES.

-- THE OPEN LETTER MOVEMENT (CARTA ABERTA) WILL CONTINUE TO EXIST BUT IS INEFFECTIVE. NO EFFORT WILL BE MADE  
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TO USE IT AS A BASE FOR A SECOND CONFEDERATION.

4. NO COALITIONS: MATEUS SAID THAT A GUIDING PRINCIPLE OF THE FONTANA FOUNDATION IS "NO COALITIONS IN UNION ELECTIONS." IF IN RARE CASES A COALITION IS DETERMINED TO BE NECESSARY, THEN IT WOULD BE UNDERTAKEN ONLY WITH THE PSD, NEVER WITH THE PCP, WORKERS BROTHERHOOD, OR PCTP/MRPP. IN ADDITION TO THE HANDICAP OF BEING ASSOCIATED WITH THE GOVERNING PARTY, THE PAST POLICY OF FORMING COALITIONS HAD UNDERMINED THE DEVELOPMENT OF PS LABOR STRENGTH.

5. FOUNDATION'S ACTIVITIES: MATEUS ADMITTED THE PS COULD NOT CHALLENGE THE CGTP AT PRESENT. HE CLAIMED, HOWEVER, THAT THE PS HAS 800 FACTORY NUCLEI ON WHICH TO BUILD. THE FONTANA FOUNDATION NOW HAS A FULL TIME STAFF OF NEARLY 40 AND HAS ALREADY TRAINED 35 FULL AND PART-TIME SECRETARIES. NEXT YEAR SOME 1500 SEPARATE EVENING TRAINING COURSES ARE TO BE HELD. EXPANDED QUARTERS IN LISBON WILL ACCOMMODATE FIVE SEPARATE CLASSROOMS, SOME WITH SIMULTANEOUS TRANSLATION FACILITIES, AND OTHER TRAINING SITES ARE BEING ARRANGED IN OPORTO, AVEIRO, AND FARO. THE PROJECTED ANNUAL TRAINING BUDGET FOR LISBON ALONE IS

APPROXIMATELY 1,850,000 DOLLARS, FINANCED BY THE PS AND THE FRG'S FRIEDRICH EBERT FOUNDATION. THIRTY THOUSAND COPIES OF A NEW BI-WEEKLY LABOR MAGAZINE ARE BEING PRINTED WITH COSTS SUBSIDIZED 80 PERCENT. SEMINARS WILL BE HELD

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FOR INDIVIDUAL COMPANIES APPROXIMATELY TWO MONTHS BEFORE UNION ELECTIONS ARE SCHEDULED. PS ELECTORAL SLATES WILL BE CHOSEN FROM THE SEMINAR PARTICIPANTS AND THEIR ELECTORAL COSTS SUBSIDIZED BY THE FOUNDATION. THE FOUNDATION SOON WOULD JOIN THE INTERNATIONAL LABOR EDUCATION INSTITUTE WHICH WOULD FACILITATE CLOSER COOPERATION WITH EUROPEAN WORKER EDUCATION GROUPS.

6. FOUNDATION'S STRUCTURE: MATEUS INDICATED THERE ARE FOUR PS LEADERS HOLDING RESPONSIBLE POSITIONS IN THE FOUNDATION:  
-- HIMSELF AS INTERNATIONAL AFFAIRS SECRETARY;  
-- LABOR MINISTER MALDONADO GONELHA AS SECRETARY GENERAL;  
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-- THE PS ADMINISTRATIVE OFFICER WHO HANDLES SIMILAR WORK FOR THE FOUNDATION;  
-- FRANCISCO MARCELO CURTO AS EDITOR OF THE MAGAZINE. MATEUS SAID THE FOUNDATION WOULD SOMETIMES TAKE STANDS AT VARIANCE WITH THE GOVERNMENT AND HAD ALREADY DONE SO IN THE FIRST ISSUE OF THE MAGAZINE.

7. PS LABOR STRUCTURE: MATEUS ADMITTED PERSONAL DIFFERENCES WITH SOARES'S LABOR ADVISOR, MADUREIRA. HE SAID THAT MADUREIRA'S CENTER FOR TRADE UNION STUDIES (CES) WOULD CONTINUE TO EXIST BUT WITH NO INCREASE IN ITS LIMITED ACTIVITIES. HE IMPLIED THAT THE MOVE OF MARCELO CURTO FROM THE CES TO THE FOUNDATION WAS INDICATIVE OF THE SHIFT IN EMPHASIS.

8. AFL-CIO PROPOSAL: MATEUS INDICATED THAT PRIME MINISTER SOARES, LABOR MINISTER MALDONADO GONELHA, MADUREIRA, AND HE HAD DISCUSSED THE PROPOSED AID-FINANCED AFL-CIO LABOR TRAINING PROGRAM. HE HOPED THAT SOMETHING COULD BE WORKED OUT IN THE FUTURE. AT PRESENT, THE CONFRONTATION BETWEEN THE PS AND SOCIAL DEMOCRATS (PSD) MADE IMPLEMENTATION OF THE AFL-CIO PROPOSAL DIFFICULT, EVEN THOUGH RELATIONS CONTINUED TO EXIST WITH THE PSD OLIVEIRA MARTINS FOUNDATION AT THE WORKING LEVEL. MATEUS SAID THE PS WOULD CONTINUE TO EXPLORE WAYS WHEREBY THE PROPOSED AID-FINANCED AFL-CIO PROPOSAL COULD BE IMPLEMENTED.

9. COOPERATION WITH THE USG: MATEUS EXPRESSED INTEREST AT BEING INCLUDED IN THE EXPERIMENTAL USIS COMPUTERIZED INFORMATION DISTRIBUTION SYSTEM (ARS). HE DISCUSSED THE POSSIBILITY OF MARCELO CURTO (AND POSSIBLY HIMSELF) ATTENDING THE AFL-CIO CONGRESS (REFTEL). HE EXPRESSED THE HOPE THAT TEN INSTRUCTORS OF THE FOUNDATION COULD BE

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SENT TO THE US UNDER AID AUSPICES FOR ADVANCED TRAINING WITH AMERICAN LABOR, A POSSIBILITY SOARES HAD ALREADY DISCUSSED WITH GEORGE MEANY DURING HIS VISIT TO THE US. MATEUS INDICATED HE WAS PREPARED TO DISCUSS OTHER PROJECTS WHERE AMERICAN LABOR COULD COLLABORATE WITH THE FOUNDATION'S TRAINING PROGRAM. IN ADDITION, MATEUS WAS PLANNING TO WRITE TO THE AFL-CIO AND THE UAW, ON A UNION-TO-UNION BASIS, FOR MATERIAL ON THE US LABOR MOVEMENT TO PUBLISH IN THE FOUNDATION'S MAGAZINE.

10. COMMENT: THE FONTANA FOUNDATION SHOULD GIVE DEMOCRATIC LABOR IN PORTUGAL A MAJOR BOOST. THE DELAY IN ESTABLISHING THE FOUNDATION WAS DUE TO THE NECESSITY OF HAVING THE PROJECT DISCUSSED AND APPROVED AT EACH PARTY LEVEL, AND OF HAVING THINGS BY A SYSTEMATIC, STEP-BY-STEP APPROACH. HAVING ESTABLISHED THE KIND OF FOUNDATION THEY WANTED, THE PS IS NOW PREPARED TO SERIOUSLY DISCUSS EXPANDED COLLABORATION WITH UNITED STATES LABOR PROGRAMS.  
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## Message Attributes

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